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TO: Ron Kagan, Ph.D., Director  
Zoological Institute

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 1, 2007

RE: 2007-2008 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Roger Short, Finance Department Director  
Pamela Scales, Budget Department Director  
Tanya Stoudemire, Budget Department Team Leader  
Kandia Milton, Mayor's Office

## **Zoological Institute (44)**

### FY 2007-2008 Budget Analysis by the Fiscal Division

#### Summary

On March 1, 2006, the City entered into an agreement with the Detroit Zoological Society (DZS) to manage the operations of the Detroit Zoological Institute, which include the Detroit Zoo and the Belle Isle Nature Zoo, through June 30, 2020, a period of fifteen years, with an option to renew for successive ten-year terms. According to the agreement, the DZS will be included in the City's annual capital budget process. The City also agreed to pay an operating subsidy for insurance and security costs, totaling \$900,000 per year, for the first two years of the agreement. This subsidy is reflected in Agency 35 – Non-Departmental.

<u>Appropriation/Program</u>	Budgeted	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommended
	<u>FY 2006-07</u>	<u>3/31/2007</u>	<u>FY 2007-08</u>	<u>07/08 Budget</u>	<u>Turnover</u>
<b>Zoological Institute (44):</b>					
440010 Zoological Institute Ofc. Of the Dir.		1	0	1	\$ -
440060 Sales/Advertising		0	0	0	\$ -
440075 Park Rentals		0	0	0	\$ -
440080 Business Activities		0	0	0	\$ -
<b>00171 General Administration</b>		<b>1</b>	<b>0</b>	<b>1</b>	<b>\$ -</b>
440100 Guest Relations		0	0	0	\$ -
440110 Security		0	0	0	\$ -
440120 Miniature Railroad		0	0	0	\$ -
440130 Grounds Maintenance		0	0	0	\$ -
440140 Horticulture		0	0	0	\$ -
440150 Buildings		0	0	0	\$ -
440170 Education		0	0	0	\$ -
440180 Wildlife Interpretative Gallery (WIG)		0	0	0	\$ -
440190 Veterinary Care		0	0	0	\$ -
440200 Mammals		0	0	0	\$ -
440205 Reptiles		0	0	0	\$ -
440215 Animal Division Specialists		0	0	0	\$ -
440220 Birds		1	0	1	\$ -
440225 Amphibians		0	0	0	\$ -
440230 Animal Care Administration		0	0	0	\$ -
<b>00172 Main Zoo Operations</b>		<b>1</b>	<b>0</b>	<b>1</b>	<b>\$ -</b>
440270 Aquarium		0	0	0	\$ -
440320 BIZ Education		0	0	0	\$ -
440330 BIZ Animal Care		0	0	0	\$ -
<b>00175 Belle Isle Activities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>
<b>44XXXX PARTTIME EMPLOYEES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>
Leave of Absence		(1)			
<b>TOTAL</b>		<b>1</b>	<b>0</b>	<b>1</b>	<b>\$ -</b>

## Significant Changes in Funding by Appropriation

The City's funding is included in Non-Departmental, as follows:

### Appro. Program

12161	350095 Zoo Operations	The Mayor's 2007-2008 Proposed Budget includes the final \$900,000 general operating subsidy for insurance and security.
12152	351385 Zoo Capital – Facility Improvements	A projected \$985,000 for Capital Improvements from the sale of Bonds is included in the Mayor's Proposed 2007-2008 Budget. This is a \$4,015,000 (80.3%) decrease in appropriations from fiscal year 2006-2007. The Belle Isle Nature Zoo will receive \$500,000 for Phase II, and \$485,000 will used to renovated the sidewalks and provide ADA accessibility.

### **Zoological Institute (44)**

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Recommended</u>	<u>Increase (Decrease)</u>
General Administration	\$ -	\$ -	\$ -
Main Zoo Operations	7,804	7,804	-
Belle Isle Activities	4,000	4,000	-
<b>Total</b>	<b><u>\$ 11,804</u></b>	<b><u>\$ 11,804</u></b>	<b><u>\$ -</u></b>

## Significant Revenue Changes

All revenues for the Zoo have been transferred to the Zoological Society along with the appropriations.

## Issues and Questions

- 1.) Is the Detroit Zoological Society still on track to assume full fiscal responsibility by May 2008?
- 2.) Is the Detroit Zoological Society seeking a regional tax to support the Zoo?
- 3.) Does the Detroit Zoological Society have any outreach programs specifically geared to increase attendance to the Detroit Zoo and Belle Isle Nature Zoo?